



**CLARK COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2002**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2003-119  
December 23, 2003  
[www.auditor.mo.gov](http://www.auditor.mo.gov)**

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

December 2003

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Clark, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

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This audit of Clark County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The Schedule of Expenditures of Federal Awards prepared by the county was not complete or accurate. In addition, the county did not establish cash management procedures to ensure the minimum time elapsed between receipt of federal grant monies for a bridge project and the distribution of such monies to the contractors, as required by the grant program. Three of eight reimbursements reviewed, totaling \$75,096, \$5,770, and \$12,731, were received and held 6, 23, and 48 days, respectively, before the related payment was made to the contractor.
- The General Revenue Fund and ½ Cent Sales Tax – Jail Operating Fund, which fund the county's main general operations, are in poor financial condition. Cash balances of the two funds have declined and totaled only \$390 at December 31, 2002. The 2003 budgets projected an ending cash balance at December 31, 2003 of only \$154. Various factors such as elected official's raises, courthouse improvements, grant matching requirements, and increasing Sheriff's office and jail operating costs have contributed to the declining cash balances and/or will have continuing impacts for several years to come.
- In 2002 the county made a questionable administrative transfer of approximately \$67,500 from the Special Road and Bridge Fund to the General Revenue Fund. The transfer related to activity for prior years, including 1999, 2000, and 2001 even though the county voluntarily did not take the full transfer when allowed in

(over)

YELLOW SHEET

those prior years. In addition, the county's budgets and published financial statements did not properly reflect all financial activity of the ½ Cent Sales Tax – Jail Building Fund. Principal totaling \$150,000 invested in certificates of deposit was excluded from the reported cash balances each year. Other concerns relating to the reporting of interest earnings and the proceeds of a temporary bank loan were also noted.

- For some traffic tickets, the Prosecuting Attorney reduces charges if defendants make a "donation" to the Clark County Youth Fund. The Prosecuting Attorney does not make the Associate Circuit Judge aware of the donation when presenting the reduced charges/plea bargain to the court. It appears that requiring such donations may not be allowable and the Prosecuting Attorney and Associate Circuit Judge should reevaluate whether the program is acceptable. In addition, county officials have not retained appropriate oversight of the Clark County Youth Fund, have developed no written guidelines defining allowable uses of the funds, and have not received or retained appropriate documentation to support the expenditures of some monies, other than the initial funding request applications.
- Records and procedures in the Sheriff's Department were inadequate to ensure grants were properly managed. Grant records and files were disorganized and incomplete and there was little or no monitoring or oversight to ensure claims and reports were submitted timely and payments were received. Reimbursement on three requests totaling \$28,761 was not received for two to seven months after the claims were filed, some claims were not filed quarterly as the grants allowed and/or were filed several months after the end of the quarter, the appropriate amounts were not always claimed, and financial status reports were not filed timely on one grant, resulting in a subsequent grant application on the program being denied. In addition, payroll expenditures claimed against one grant were not always supported by timesheets and the county did not appear to have a clear understanding of its ongoing obligation on each grant.
- Time sheets and leave records are not always prepared by Sheriff deputies or reviewed and approved by supervisors, and these records are not forwarded to the County Clerk. In addition, accounting duties in the Sheriff's Department are not adequately segregated, receipts are not deposited in a timely manner, and there are no procedures to ensure all costs for boarding prisoners of other counties are billed and received.

The audit suggested improvements to bidding and procurement procedures, personnel procedures and records, the handling of Road and Bridge Department rock invoices, and fixed assets and fuel inventory records and procedures. The audit also recommends improvements in the records and procedures of the offices of the Prosecuting Attorney, the Circuit Clerk, and the Associate Circuit Court.

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CLARK COUNTY, MISSOURI

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FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Clark County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Clark County, Missouri, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Clark County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 24, 2003, on our consideration of the county's internal control over financial reporting and on

our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Clark County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above.



Claire McCaskill  
State Auditor

July 24, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Douglas J. Porting, CPA
In-Charge Auditor:	Lonnie W. Breeding III, CPA
Audit Staff:	Jeff Wilson
	Keri Wright
	Kelly Petree



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Clark County, Missouri

We have audited the financial statements of various funds of Clark County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 24, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Clark County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Clark County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Clark County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

July 24, 2003 (fieldwork completion date)

## Financial Statements

Exhibit A-1

CLARK COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 281	1,004,039	1,004,084	236
Special Road and Bridge	81,686	1,683,275	1,648,489	116,472
Assessment	28,188	85,002	85,177	28,013
Law Enforcement Training	1,250	3,776	4,016	1,010
Prosecuting Attorney Training	1,078	937	1,100	915
1/2 Cent Sales Tax Road and Bridge	6,088	219,628	199,840	25,876
County Recorder	1,123	4,153	3,000	2,276
Prosecuting Attorney Bad Check	7,574	5,169	4,600	8,143
Domestic Violence	715	345	0	1,060
Community Service	15,051	11,679	21,038	5,692
Local Emergency Planning Commission	7,736	4,169	5,120	6,785
Clark County Victims Assistance Program	1,557	3,976	4,146	1,387
1/2 Cent Sales Tax - Jail Building	293,756	276,135	398,544	171,347
1/2 Cent Sales Tax - Jail Operating	(5,020)	275,460	270,286	154
Peace Officers Standards and Training	701	1,600	699	1,602
Law Enforcement Support (Canine)	2,982	0	0	2,982
Clark County Youth	3,407	27,280	23,596	7,091
Community Development Block Grant	278	31,361	30,361	1,278
Drug Abuse Resistance Effort (D.A.R.E.)	175	0	0	175
Sheriff's Civil Process	5,057	16,353	21,385	25
Election Service	376	1,657	0	2,033
COPS MORE 98	(1,169)	27,087	25,397	521
Selective Traffic Enforcement Program (S.T.E.P.)	4	0	0	4
Drug Court	0	15,561	15,567	(6)
Effort Over Time Equals Success	0	1,798	6,947	(5,149)
Law Library	2,387	2,507	2,586	2,308
Health Center	322,669	500,469	459,195	363,943
Demolition	19	0	0	19
Recorder's Automatic	870	2,499	0	3,369
Cemetery Trust	27,628	1,260	1,868	27,020
Associate Circuit Division Interest	206	366	266	306
Circuit Clerk Interest	837	1,887	855	1,869
Collector Tax Maintenance	0	331	0	331
Associate Circuit Drug Court	0	4,570	4,328	242
Total	\$ 807,490	4,214,329	4,242,490	779,329

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

CLARK COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 35,895	869,194	904,808	281
Special Road and Bridge	73,117	1,071,263	1,062,694	81,686
Assessment	27,245	80,232	79,289	28,188
Law Enforcement Training	468	3,151	2,369	1,250
Prosecuting Attorney Training	558	1,257	737	1,078
1/2 Cent Sales Tax Road and Bridge	1,865	190,988	186,765	6,088
County Recorder	477	3,646	3,000	1,123
Prosecuting Attorney Bad Check	5,621	3,808	1,855	7,574
Domestic Violence	380	335	0	715
Community Service	15,608	18,777	19,334	15,051
Local Emergency Planning Commission	8,372	4,086	4,722	7,736
Clark County Victims Assistance Program	600	6,991	6,034	1,557
1/2 Cent Sales Tax - Jail Building	223,873	206,344	136,461	293,756
1/2 Cent Sales Tax - Jail Operating	29,678	220,202	254,900	(5,020)
Peace Officers Standards and Training	338	1,451	1,088	701
Law Enforcement Support (Canine)	425	3,001	444	2,982
Clark County Youth	563	21,814	18,970	3,407
Community Development Block Grant	278	213,371	213,371	278
Drug Abuse Resistance Effort (D.A.R.E.)	2,466	0	2,291	175
Sheriff's Civil Process	(1,102)	15,057	8,898	5,057
Election Service	1,825	1,476	2,925	376
COPS MORE 98	0	15,157	16,326	(1,169)
Selective Traffic Enforcement Program (S.T.E.P.)	4	0	0	4
Child Support	(49)	75	26	0
Local Law Enforcement Block Grant	0	9,709	9,709	0
Law Library	797	3,164	1,574	2,387
Health Center	383,248	386,640	447,219	322,669
Demolition	19	0	0	19
Recorder's Automatic	0	870	0	870
Cemetery Trust	27,515	2,632	2,519	27,628
Associate Circuit Division Interest	374	574	742	206
Circuit Clerk Interest	2,542	1,941	3,646	837
Total	\$ 843,000	3,357,206	3,392,716	807,490

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 4,444,605	4,203,416	(241,189)	4,344,030	3,351,189	(992,841)
DISBURSEMENTS	4,646,941	4,235,173	411,768	4,510,222	3,385,809	1,124,413
RECEIPTS OVER (UNDER) DISBURSEMENTS	(202,336)	(31,757)	170,579	(166,192)	(34,620)	131,572
CASH, JANUARY 1	617,384	777,930	160,546	666,937	812,550	145,613
CASH, DECEMBER 31	415,048	746,173	331,125	500,745	777,930	277,185
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	287,000	271,981	(15,019)	283,550	278,263	(5,287)
Sales taxes	195,000	219,626	24,626	185,000	190,712	5,712
Intergovernmental	183,975	138,833	(45,142)	129,054	85,084	(43,970)
Charges for service:	238,473	222,798	(15,675)	327,735	224,247	(103,488)
Interest	5,000	7,563	2,563	80	6,281	6,201
Other	79,250	51,038	(28,212)	23,500	21,639	(1,861)
Transfers in	120,313	92,200	(28,113)	111,597	62,968	(48,629)
Total Receipts	1,109,011	1,004,039	(104,972)	1,060,516	869,194	(191,322)
DISBURSEMENTS						
County Commissioner	54,841	53,598	1,243	53,644	52,369	1,275
County Clerk	57,093	55,462	1,631	55,974	54,818	1,156
Elections	29,432	27,756	1,676	6,697	4,161	2,536
Buildings and grounds	71,954	79,767	(7,813)	48,300	56,770	(8,470)
Employee fringe benefit	1,058	2,554	(1,496)	650	823	(173)
County Treasurer	23,490	23,193	297	22,584	22,283	301
County Collector	66,302	66,043	259	65,199	64,307	892
Circuit Clerk	34,423	33,162	1,261	31,823	31,121	702
Associate Circuit Court	5,454	4,021	1,433	7,160	5,143	2,017
Court administration	5,454	5,321	133	5,386	4,384	1,002
Public Administrator	21,088	20,387	701	17,684	18,160	(476)
Sheriff	349,558	328,362	21,196	459,207	347,007	112,200
Prosecuting Attorney	57,029	57,183	(154)	54,713	52,433	2,280
Juvenile Officer	42,480	35,076	7,404	15,899	7,097	8,802
County Coroner	7,633	6,247	1,386	6,933	6,619	314
Other General Government	7,115	9,055	(1,940)	7,681	5,013	2,668
Insurance and Bonds	25,000	24,028	972	21,000	24,442	(3,442)
Extension Office	22,250	22,250	0	21,800	21,800	0
Court Reporter	800	384	416	1,000	223	777
DWI Countermeasures	32,480	32,489	(9)	35,000	0	35,000
COPS in Schools	56,860	31,137	25,723	0	0	0
COPS Universal	28,730	28,226	504	82,679	65,733	16,946
Drug Enforcement	3,500	337	3,163	5,000	1,223	3,777
Bulletproof Vest Grant	7,000	7,000	0	4,500	0	4,500
Payment to St. Francisville	0	7,960	(7,960)	0	0	0
Transfers out	66,693	43,086	23,607	42,324	39,769	2,555
Emergency Fund	31,575	0	31,575	27,960	19,110	8,850
Total Disbursements	1,109,292	1,004,084	105,208	1,100,797	904,808	195,989
RECEIPTS OVER (UNDER) DISBURSEMENTS	(281)	(45)	236	(40,281)	(35,614)	4,667
CASH, JANUARY 1	281	281	0	40,282	35,895	(4,387)
CASH, DECEMBER 31	0	236	236	1	281	280

Exhibit B

CLARK COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	442,000	432,653	(9,347)	456,000	432,128	(23,872)
Intergovernmental	1,210,500	1,224,513	14,013	1,304,000	614,966	(689,034)
Interest	5,000	10,598	5,598	5,000	4,945	(55)
Other	14,000	9,509	(4,491)	12,000	13,320	1,320
Transfers in	6,300	6,002	(298)	6,000	5,904	(96)
<b>Total Receipts</b>	<b>1,677,800</b>	<b>1,683,275</b>	<b>5,475</b>	<b>1,783,000</b>	<b>1,071,263</b>	<b>(711,737)</b>
<b>DISBURSEMENTS</b>						
Salaries	340,535	352,631	(12,096)	365,282	330,337	34,945
Employee fringe benefit	100,028	97,116	2,912	117,018	94,536	22,482
Supplies	88,020	72,540	15,480	116,020	88,735	27,285
Insurance	28,500	24,873	3,627	22,600	26,271	(3,671)
Road and bridge materials	242,340	222,576	19,764	198,000	237,388	(39,388)
Equipment repairs	60,000	44,945	15,055	80,000	62,427	17,573
Rentals	0	376	(376)	0	0	0
Equipment purchases	15,000	22,821	(7,821)	60,000	15,379	44,621
Construction, repair, and maintenance	693,000	688,286	4,714	769,000	88,036	680,964
Wayland Special Road District	0	21,068	(21,068)	0	20,952	(20,952)
Other	71,750	9,057	62,693	16,600	8,633	7,967
Asphalt	0	0	0	0	46,000	(46,000)
Transfers out	120,313	92,200	28,113	111,597	44,000	67,597
<b>Total Disbursements</b>	<b>1,759,486</b>	<b>1,648,489</b>	<b>110,997</b>	<b>1,856,117</b>	<b>1,062,694</b>	<b>793,423</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(81,686)</b>	<b>34,786</b>	<b>116,472</b>	<b>(73,117)</b>	<b>8,569</b>	<b>81,686</b>
<b>CASH, JANUARY 1</b>	<b>81,686</b>	<b>81,686</b>	<b>0</b>	<b>73,117</b>	<b>73,117</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>0</b>	<b>116,472</b>	<b>116,472</b>	<b>0</b>	<b>81,686</b>	<b>81,686</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	85,250	82,564	(2,686)	72,000	78,010	6,010
Interest	700	1,548	848	800	1,107	307
Other	850	890	40	800	1,115	315
<b>Total Receipts</b>	<b>86,800</b>	<b>85,002</b>	<b>(1,798)</b>	<b>73,600</b>	<b>80,232</b>	<b>6,632</b>
<b>DISBURSEMENTS</b>						
Salaries and fringe benefit:	69,852	70,154	(302)	69,237	66,964	2,273
Office expenditure:	19,000	15,023	3,977	11,431	12,325	(894)
<b>Total Disbursements</b>	<b>88,852</b>	<b>85,177</b>	<b>3,675</b>	<b>80,668</b>	<b>79,289</b>	<b>1,379</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(2,052)</b>	<b>(175)</b>	<b>1,877</b>	<b>(7,068)</b>	<b>943</b>	<b>8,011</b>
<b>CASH, JANUARY 1</b>	<b>28,188</b>	<b>28,188</b>	<b>0</b>	<b>27,245</b>	<b>27,245</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>26,136</b>	<b>28,013</b>	<b>1,877</b>	<b>20,177</b>	<b>28,188</b>	<b>8,011</b>

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Charges for service:	4,500	3,776	(724)	4,100	3,151	(949)
Total Receipts	4,500	3,776	(724)	4,100	3,151	(949)
DISBURSEMENTS						
Sheriff	5,750	4,016	1,734	4,568	2,369	2,199
Total Disbursements	5,750	4,016	1,734	4,568	2,369	2,199
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,250)	(240)	1,010	(468)	782	1,250
CASH, JANUARY 1	1,599	1,250	(349)	468	468	0
CASH, DECEMBER 31	349	1,010	661	0	1,250	1,250
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for service:	1,200	937	(263)	1,300	1,257	(43)
Total Receipts	1,200	937	(263)	1,300	1,257	(43)
DISBURSEMENTS						
Prosecuting Attorney	1,100	1,100	0	1,100	737	363
Total Disbursements	1,100	1,100	0	1,100	737	363
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	(163)	(263)	200	520	320
CASH, JANUARY 1	1,078	1,078	0	558	558	0
CASH, DECEMBER 31	1,178	915	(263)	758	1,078	320
<b><u>1/2 CENT SALES TAX ROAD AND BRIDGE FUND</u></b>						
RECEIPTS						
Sales taxes	195,000	219,628	24,628	185,000	190,988	5,988
Total Receipts	195,000	219,628	24,628	185,000	190,988	5,988
DISBURSEMENTS						
Leased equipment	52,000	66,046	(14,046)	85,000	42,977	42,023
Equipment	20,000	0	20,000	0	0	0
Rock	129,088	133,794	(4,706)	101,865	143,788	(41,923)
Total Disbursements	201,088	199,840	1,248	186,865	186,765	100
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,088)	19,788	25,876	(1,865)	4,223	6,088
CASH, JANUARY 1	6,088	6,088	0	1,865	1,865	0
CASH, DECEMBER 31	0	25,876	25,876	0	6,088	6,088

Exhibit B

CLARK COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>COUNTY RECORDER FUND</u></b>						
RECEIPTS						
Charges for service:	3,700	4,096	396	3,500	3,624	124
Interest	22	57	35	50	22	(28)
Total Receipts	<u>3,722</u>	<u>4,153</u>	<u>431</u>	<u>3,550</u>	<u>3,646</u>	<u>96</u>
DISBURSEMENTS						
Equipment	4,845	3,000	1,845	4,027	3,000	1,027
Total Disbursements	<u>4,845</u>	<u>3,000</u>	<u>1,845</u>	<u>4,027</u>	<u>3,000</u>	<u>1,027</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,123)	1,153	2,276	(477)	646	1,123
CASH, JANUARY 1	1,123	1,123	0	477	477	0
CASH, DECEMBER 31	<u>0</u>	<u>2,276</u>	<u>2,276</u>	<u>0</u>	<u>1,123</u>	<u>1,123</u>
<b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
RECEIPTS						
Charges for service:	4,700	3,389	(1,311)	4,200	3,645	(555)
Interest	0	257	257	85	163	78
Intergovernmental	0	1,523	1,523	0	0	0
Total Receipts	<u>4,700</u>	<u>5,169</u>	<u>469</u>	<u>4,285</u>	<u>3,808</u>	<u>(477)</u>
DISBURSEMENTS						
Prosecuting Attorney	4,600	4,600	0	5,700	1,855	3,845
Total Disbursements	<u>4,600</u>	<u>4,600</u>	<u>0</u>	<u>5,700</u>	<u>1,855</u>	<u>3,845</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	569	469	(1,415)	1,953	3,368
CASH, JANUARY 1	7,574	7,574	0	5,621	5,621	0
CASH, DECEMBER 31	<u>7,674</u>	<u>8,143</u>	<u>469</u>	<u>4,206</u>	<u>7,574</u>	<u>3,368</u>
<b><u>DOMESTIC VIOLENCE FUND</u></b>						
RECEIPTS						
Intergovernmental	600	345	(255)	800	335	(465)
Total Receipts	<u>600</u>	<u>345</u>	<u>(255)</u>	<u>800</u>	<u>335</u>	<u>(465)</u>
DISBURSEMENTS						
Domestic Violence Shelte	1,315	0	1,315	1,180	0	1,180
Total Disbursements	<u>1,315</u>	<u>0</u>	<u>1,315</u>	<u>1,180</u>	<u>0</u>	<u>1,180</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(715)	345	1,060	(380)	335	715
CASH, JANUARY 1	715	715	0	380	380	0
CASH, DECEMBER 31	<u>0</u>	<u>1,060</u>	<u>1,060</u>	<u>0</u>	<u>715</u>	<u>715</u>

Exhibit B

CLARK COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>COMMUNITY SERVICE FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	20,000	11,679	(8,321)	16,000	18,777	2,777
Total Receipts	20,000	11,679	(8,321)	16,000	18,777	2,777
<b>DISBURSEMENTS</b>						
Salaries	26,500	16,385	10,115	13,400	13,257	143
Miscellaneous	4,000	4,383	(383)	2,850	6,077	(3,227)
Office expenditure:	0	270	(270)	5,000	0	5,000
Total Disbursements	30,500	21,038	9,462	21,250	19,334	1,916
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,500)	(9,359)	1,141	(5,250)	(557)	4,693
CASH, JANUARY 1	15,051	15,051	0	15,608	15,608	0
CASH, DECEMBER 31	4,551	5,692	1,141	10,358	15,051	4,693
<b><u>LOCAL EMERGENCY PLANNING</u></b>						
<b><u>COMMISSION FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	4,100	4,169	69	2,500	4,086	1,586
Total Receipts	4,100	4,169	69	2,500	4,086	1,586
<b>DISBURSEMENTS</b>						
Miscellaneous	6,836	3,620	3,216	3,746	0	3,746
Salary	5,000	1,500	3,500	3,799	4,722	(923)
Total Disbursements	11,836	5,120	6,716	7,545	4,722	2,823
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,736)	(951)	6,785	(5,045)	(636)	4,409
CASH, JANUARY 1	7,736	7,736	0	8,372	8,372	0
CASH, DECEMBER 31	0	6,785	6,785	3,327	7,736	4,409
<b><u>CLARK COUNTY VICTIMS ASSISTANCE</u></b>						
<b><u>PROGRAM FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	13,980	3,976	(10,004)	15,000	6,991	(8,009)
Transfers in	0	0	0	3,680	0	(3,680)
Total Receipts	13,980	3,976	(10,004)	18,680	6,991	(11,689)
<b>DISBURSEMENTS</b>						
Salary	10,300	2,867	7,433	12,500	5,081	7,419
Miscellaneous	1,675	34	1,641	5,580	62	5,518
Equipment	600	0	600	1,200	0	1,200
Other	2,380	1,245	1,135	0	891	(891)
Total Disbursements	14,955	4,146	10,809	19,280	6,034	13,246
RECEIPTS OVER (UNDER) DISBURSEMENTS	(975)	(170)	805	(600)	957	1,557
CASH, JANUARY 1	1,557	1,557	0	600	600	0
CASH, DECEMBER 31	582	1,387	805	0	1,557	1,557

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>1/2 CENT SALES TAX-JAIL BUILDING FUND</u></b>						
<b>RECEIPTS</b>						
Sales taxes	195,000	219,617	24,617	185,000	190,933	5,933
Interest	0	10,518	10,518	4,500	15,411	10,911
Bank loan	46,000	46,000	0	0	0	0
Transfers in	167,089	0	(167,089)	0	0	0
<b>Total Receipts</b>	<b>408,089</b>	<b>276,135</b>	<b>(131,954)</b>	<b>189,500</b>	<b>206,344</b>	<b>16,844</b>
<b>DISBURSEMENTS</b>						
Bond payment	408,089	351,403	56,686	117,000	108,515	8,485
Equipment	0	0	0	40,000	27,195	12,805
Repairs	0	0	0	10,000	0	10,000
Bank loan repayment	46,000	46,192	(192)	0	0	0
Miscellaneous	0	949	(949)	18,000	751	17,249
<b>Total Disbursements</b>	<b>454,089</b>	<b>398,544</b>	<b>55,545</b>	<b>185,000</b>	<b>136,461</b>	<b>48,539</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(46,000)</b>	<b>(122,409)</b>	<b>(76,409)</b>	<b>4,500</b>	<b>69,883</b>	<b>65,383</b>
<b>CASH, JANUARY 1</b>	<b>132,606</b>	<b>293,756</b>	<b>161,150</b>	<b>73,873</b>	<b>223,873</b>	<b>150,000</b>
<b>CASH, DECEMBER 31</b>	<b>86,606</b>	<b>171,347</b>	<b>84,741</b>	<b>78,373</b>	<b>293,756</b>	<b>215,383</b>
<b><u>1/2 CENT SALES TAX-JAIL OPERATING FUND</u></b>						
<b>RECEIPTS</b>						
Sales taxes	195,000	219,591	24,591	185,000	191,214	6,214
911 dispatching contracts	24,000	24,000	0	24,000	24,025	25
Other	1,000	650	(350)	600	1,000	400
Transfers in	56,178	31,219	(24,959)	0	3,963	3,963
<b>Total Receipts</b>	<b>276,178</b>	<b>275,460</b>	<b>(718)</b>	<b>209,600</b>	<b>220,202</b>	<b>10,602</b>
<b>DISBURSEMENTS</b>						
Salaries	150,908	148,653	2,255	151,787	144,649	7,138
Office expenditures:	47,300	40,997	6,303	14,100	48,812	(34,712)
Equipment	14,700	11,070	3,630	13,931	0	13,931
Mileage	0	0	0	0	0	0
Other expenditures:	9,250	13,711	(4,461)	11,400	14,815	(3,415)
Meals	25,800	27,872	(2,072)	24,000	25,792	(1,792)
Miscellaneous	23,200	27,983	(4,783)	24,060	20,832	3,228
<b>Total Disbursements</b>	<b>271,158</b>	<b>270,286</b>	<b>872</b>	<b>239,278</b>	<b>254,900</b>	<b>(15,622)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>5,020</b>	<b>5,174</b>	<b>154</b>	<b>(29,678)</b>	<b>(34,698)</b>	<b>(5,020)</b>
<b>CASH, JANUARY 1</b>	<b>(5,020)</b>	<b>(5,020)</b>	<b>0</b>	<b>29,678</b>	<b>29,678</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>0</b>	<b>154</b>	<b>154</b>	<b>0</b>	<b>(5,020)</b>	<b>(5,020)</b>

Exhibit B

CLARK COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>PEACE OFFICERS STANDARDS AND TRAINING FUND</u></b>						
RECEIPTS						
Intergovernmental	1,600	1,600	0	1,500	1,451	(49)
Total Receipts	1,600	1,600	0	1,500	1,451	(49)
DISBURSEMENTS						
Miscellaneous	2,301	699	1,602	1,838	1,088	750
Total Disbursements	2,301	699	1,602	1,838	1,088	750
RECEIPTS OVER (UNDER) DISBURSEMENTS	(701)	901	1,602	(338)	363	701
CASH, JANUARY 1	701	701	0	338	338	0
CASH, DECEMBER 31	0	1,602	1,602	0	701	701
<b><u>LAW ENFORCEMENT SUPPORT (CANINE) FUND</u></b>						
RECEIPTS						
Other	0	0	0	100	3,001	2,901
Total Receipts	0	0	0	100	3,001	2,901
DISBURSEMENTS						
Sheriff	0	0	0	525	444	81
Total Disbursements	0	0	0	525	444	81
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(425)	2,557	2,982
CASH, JANUARY 1	2,982	2,982	0	425	425	0
CASH, DECEMBER 31	2,982	2,982	0	0	2,982	2,982
<b><u>CLARK COUNTY YOUTH FUND</u></b>						
RECEIPTS						
Donations	25,000	27,280	2,280	25,437	21,814	(3,623)
Total Receipts	25,000	27,280	2,280	25,437	21,814	(3,623)
DISBURSEMENTS						
Grants to others	28,407	23,596	4,811	26,000	18,970	7,030
Total Disbursements	28,407	23,596	4,811	26,000	18,970	7,030
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,407)	3,684	7,091	(563)	2,844	3,407
CASH, JANUARY 1	3,407	3,407	0	563	563	0
CASH, DECEMBER 31	0	7,091	7,091	0	3,407	3,407

Exhibit B

CLARK COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u></b>						
RECEIPTS						
Intergovernmental	25,133	25,074	(59)	240,769	184,636	(56,133)
Transfers in	7,236	6,287	(949)	21,000	28,735	7,735
Total Receipts	32,369	31,361	(1,008)	261,769	213,371	(48,398)
DISBURSEMENTS						
Elevator	32,647	30,361	2,286	262,047	213,371	48,676
Total Disbursements	32,647	30,361	2,286	262,047	213,371	48,676
RECEIPTS OVER (UNDER) DISBURSEMENTS	(278)	1,000	1,278	(278)	0	278
CASH, JANUARY 1	278	278	0	278	278	0
CASH, DECEMBER 31	0	1,278	1,278	0	278	278
<b><u>DRUG ABUSE RESISTANCE EFFORT (D.A.R.E) FUND</u></b>						
RECEIPTS						
Other	0	0	0	4,034	0	(4,034)
Total Receipts	0	0	0	4,034	0	(4,034)
DISBURSEMENTS						
Sheriff	0	0	0	6,500	2,291	4,209
Total Disbursements	0	0	0	6,500	2,291	4,209
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(2,466)	(2,291)	175
CASH, JANUARY 1	175	175	0	2,466	2,466	0
CASH, DECEMBER 31	175	175	0	0	175	175
<b><u>SHERIFF'S CIVIL PROCESS FUND</u></b>						
RECEIPTS						
Charges for service:	12,000	16,353	4,353	10,000	15,057	5,057
Total Receipts	12,000	16,353	4,353	10,000	15,057	5,057
DISBURSEMENTS						
Miscellaneous	12,038	14,670	(2,632)	8,898	4,935	3,963
Salary	0	1,300	(1,300)	0	0	0
Fringe benefits	0	396	(396)	0	0	0
Transfers out	5,019	5,019	0	0	3,963	(3,963)
Total Disbursements	17,057	21,385	(4,328)	8,898	8,898	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,057)	(5,032)	25	1,102	6,159	5,057
CASH, JANUARY 1	5,057	5,057	0	(1,102)	(1,102)	0
CASH, DECEMBER 31	0	25	25	0	5,057	5,057

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>ELECTION SERVICE FUND</u></b>						
RECEIPTS						
Intergovernmental	2,000	1,657	(343)	1,100	1,476	376
Total Receipts	2,000	1,657	(343)	1,100	1,476	376
DISBURSEMENTS						
County Clerk	2,376	0	2,376	2,925	2,925	0
Total Disbursements	2,376	0	2,376	2,925	2,925	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(376)	1,657	2,033	(1,825)	(1,449)	376
CASH, JANUARY 1	376	376	0	1,825	1,825	0
CASH, DECEMBER 31	0	2,033	2,033	0	376	376
<b><u>COPS MORE 98 FUND</u></b>						
RECEIPTS						
Intergovernmental	20,251	20,988	737	28,590	7,653	(20,937)
Transfers in	6,099	6,099	0	16,804	7,504	(9,300)
Total Receipts	26,350	27,087	737	45,394	15,157	(30,237)
DISBURSEMENTS						
Salaries	25,181	25,397	(216)	45,394	16,326	29,068
Total Disbursements	25,181	25,397	(216)	45,394	16,326	29,068
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,169	1,690	521	0	(1,169)	(1,169)
CASH, JANUARY 1	(1,169)	(1,169)	0	0	0	0
CASH, DECEMBER 31	0	521	521	0	(1,169)	(1,169)
<b><u>SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (S.T.E.P) FUND</u></b>						
RECEIPTS						
Intergovernmental	0	0	0	1,500	0	(1,500)
Total Receipts	0	0	0	1,500	0	(1,500)
DISBURSEMENTS						
Overtime salaries	0	0	0	1,504	0	1,504
Total Disbursements	0	0	0	1,504	0	1,504
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(4)	0	4
CASH, JANUARY 1	4	4	0	4	4	0
CASH, DECEMBER 31	4	4	0	0	4	4

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DRUG COURT FUND</u></b>						
RECEIPTS						
Intergovernmental	2,000	0	(2,000)			
Charges for services	19,000	15,561	(3,439)			
Total Receipts	21,000	15,561	(5,439)			
DISBURSEMENTS						
Salaries	21,000	15,567	5,433			
Total Disbursements	21,000	15,567	5,433			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(6)	(6)			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	(6)	(6)			
<b><u>EFFORT OVER TIME EQUALS SUCCESS FUND</u></b>						
RECEIPTS						
Intergovernmental	33,471	1,798	(31,673)			
Total Receipts	33,471	1,798	(31,673)			
DISBURSEMENTS						
Salaries	33,471	6,947	26,524			
Total Disbursements	33,471	6,947	26,524			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(5,149)	(5,149)			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	(5,149)	(5,149)			
<b><u>CHILD SUPPORT FUND</u></b>						
RECEIPTS						
Transfers in				200	75	(125)
Total Receipts				200	75	(125)
DISBURSEMENTS						
Circuit Clerk				151	26	125
Total Disbursements				151	26	125
RECEIPTS OVER (UNDER) DISBURSEMENTS				49	49	0
CASH, JANUARY 1				(49)	(49)	0
CASH, DECEMBER 31				0	0	0

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND</b>						
RECEIPTS						
Intergovernmental	9,000	0	(9,000)	9,000	8,389	(611)
Transfers in	1,000	0	(1,000)	1,320	1,320	0
Total Receipts	10,000	0	(10,000)	10,320	9,709	(611)
DISBURSEMENTS						
Equipment	10,000	0	10,000	10,320	9,709	611
Total Disbursements	10,000	0	10,000	10,320	9,709	611
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0
<b>FY 98 LOCAL RECORDS GRANT FUND</b>						
RECEIPTS						
Intergovernmental				4,500	0	(4,500)
Transfers in				500	0	(500)
Total Receipts				5,000	0	(5,000)
DISBURSEMENTS						
Equipment				5,000	0	5,000
Total Disbursements				5,000	0	5,000
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	0	0
CASH, JANUARY 1				0	0	0
CASH, DECEMBER 31				0	0	0
<b>LAW LIBRARY FUND</b>						
RECEIPTS						
Charges for service:	3,000	2,507	(493)	2,000	3,164	1,164
Total Receipts	3,000	2,507	(493)	2,000	3,164	1,164
DISBURSEMENTS						
Associate Judge	3,500	2,586	914	2,500	1,574	926
Total Disbursements	3,500	2,586	914	2,500	1,574	926
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	(79)	421	(500)	1,590	2,090
CASH, JANUARY 1	2,387	2,387	0	797	797	0
CASH, DECEMBER 31	1,887	2,308	421	297	2,387	2,090

Exhibit B

CLARK COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>HEALTH CENTER FUND</b>						
<b>RECEIPTS</b>						
Property taxes	70,000	71,345	1,345	64,000	70,888	6,888
Intergovernmental	124,010	134,889	10,879	106,517	126,091	19,574
Charges for service:	250,125	275,118	24,993	230,600	162,778	(67,822)
Interest	15,000	11,614	(3,386)	15,000	17,077	2,077
Other	13,000	7,503	(5,497)	7,128	9,806	2,678
Total Receipts	472,135	500,469	28,334	423,245	386,640	(36,605)
<b>DISBURSEMENTS</b>						
Salaries	330,075	307,703	22,372	298,445	310,864	(12,419)
Office expenditures:	41,500	23,641	17,859	27,100	32,965	(5,865)
Equipment expenditures:	22,000	12,893	9,107	14,500	10,466	4,034
Mileage and training	22,000	20,629	1,371	20,000	18,978	1,022
Program costs	63,200	81,489	(18,289)	54,700	59,385	(4,685)
Other	33,360	12,840	20,520	8,500	14,561	(6,061)
Total Disbursements	512,135	459,195	52,940	423,245	447,219	(23,974)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(40,000)	41,274	81,274	0	(60,579)	(60,579)
CASH, JANUARY 1	322,924	322,669	(255)	383,248	383,248	0
CASH, DECEMBER 31	282,924	363,943	81,019	383,248	322,669	(60,579)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

CLARK COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Clark County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Associate Circuit Division Interest Fund	2002 and 2001
Cemetery Trust Fund	2002 and 2001
Circuit Clerk Interest Fund	2002 and 2001
Recorder's Automatic Fund	2002 and 2001
Demolition Fund	2002 and 2001
Collector Tax Maintenance Fund	2002
Associate Circuit Drug Court Fund	2002

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
COPS MORE 98 Fund	2002
Sheriff's Civil Process Fund	2002
Health Center Fund	2001
½ Cent Sales Tax-Jail Operating Fund	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Associate Circuit Division Interest Fund	2002 and 2001
Cemetery Trust Fund	2002 and 2001
Circuit Clerk Interest Fund	2002 and 2001
Law Library Fund	2002 and 2001
Recorder's Automatic Fund	2002 and 2001
Health Center Fund	2002 and 2001
Collector Tax Maintenance Fund	2002
Election Service Fund	2001

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Health Center Board's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance or by collateral securities held by the county's or the board's custodial bank in the county's or the board's name.

3. Prior Period Adjustment

The Prosecuting Attorney Retirement Fund's cash balance of \$(291) at January 1, 2001, was previously reported but has been removed as it is not considered a county operating fund. The Cemetery Trust, Associate Circuit Clerk Interest, Circuit Clerk Interest, and the Law Library Funds' cash balances of \$27,515, \$374, \$2,542, and \$797, respectively, at January 1, 2001 were not previously reported but have been added.

4. Contingent Liability

As of December 31, 2002, the county's legal counsel identified two instances of potential litigation which if realized could represent significant liabilities. The first instance involves a former Deputy Sheriff claiming approximately \$26,000 for uncompensated work hours and sick leave. The second instance involves a possible sexual abuse claim against the former Sheriff. The potential liability in this instance cannot be assessed.

Supplementary Schedule

Schedule

CLARK COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state Department of Health and Senior Services:				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS0452122W	\$ 22,675	18,369
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state Department of Economic Development				
14.228	Community Development Block Grants/State's Program	2000-PF-01	24,074	184,636
U. S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.585	Drug Court Discretionary Grant Program	2002-DC-BX-0022	19,901	0
16.607	Bulletproof Vest Partnership Program	2011063	4,768	0
16.710	Public Safety Partnership and Community Policing Grants	2002SHWX0191 96-UM-WX-0395 1999CMWX2903	31,138 21,170 20,988	0 49,300 7,653
	Program Total		<u>73,296</u>	<u>56,953</u>
Passed through:				
State Department of Public Safety:				
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	99JAIBG-INT-06	26,480	0
16.575	Crime Victim Assistance	2000-VOCA-0024	3,976	6,991
16.592	Local Law Enforcement Block Grants Program	FY 2002 LLEBG	0	9,709
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	337	1,223
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-023 (14) BRO-023 (15) BRO-023 (16) BRO-023 (17) BRO-023 (18)	0 302,201 349,298 29,037 14,636	417 61,549 31,536 0 0
	Program Total		<u>695,172</u>	<u>93,502</u>

Schedule

CLARK COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	02-164-AL-11	31,768	0
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration:				
39.003	Donation of Federal Surplus Personal Property	N/A	302	16
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state Department of Health and Senior Services:				
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERS1462122	1,300	0
93.268	Immunization Grants	N/A	17,393	17,240
	Program Total	PGA-064-2122A	<u>2,870</u>	<u>0</u>
			<u>20,263</u>	<u>17,240</u>
93.575	Child Care and Development Block Grant	PGA067-2122C	1,805	1,596
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS146-2122C	89	0
93.945	Assistance Programs for Chronic Disease Prevention and Contro	C1000049001	0	20,000
93.994	Maternal and Child Health Services Block Grant to the States	ERS175-2013F	6,416	6,770
		ERS146-2122	13,494	15,928
		PGA064-2199A	178	1,198
	Program Total		<u>20,088</u>	<u>23,896</u>
	Total Expenditures of Federal Awards		<u>\$ 946,294</u>	<u>434,131</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

CLARK COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Clark County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of the property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$20,000 to subrecipients under the Assistance Programs for Chronic Disease Prevention and Control Program (CFDA number 93.945) during the year ended December 31, 2001.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Clark County, Missouri

Compliance

We have audited the compliance of Clark County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2002 and 2001. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Clark County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2002 and 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with

OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

### Internal Control Over Compliance

The management of Clark County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Clark County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

July 24, 2003 (fieldwork completion date)

Schedule

CLARK COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2002 AND 2001

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?  yes  no

Reportable condition identified that is not considered to be a material weakness?  yes  none reported

Noncompliance material to the financial statements noted?  yes  no

Federal Awards

Internal control over major program:

Material weakness identified?  yes  no

Reportable condition identified that is not considered to be a material weakness?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?  yes  no

Identification of major program:

CFDA or Other Identifying <u>Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes      x   no

### Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

### Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

<b>02-1</b>	<b>Federal Awards</b>
-------------	-----------------------

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-023 (14), (15), (16 ), (17), (18)
Award Years:	2002 and 2001
Questioned Costs:	N/A

A. Section .310(b) of Circular A-133, *Audit of States, Local Governments, and Non-profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee’s financial statements. The county is required to submit the SEFA to the State Auditor’s Office as a part of the annual budget.

The county does not have procedures in place to adequately track federal awards for the preparation of the SEFA. For the years ended December 31, 2002 and 2001, the county’s SEFA contained numerous errors and omissions. Eight grants were omitted for one or both of the years ended December 31, 2002 and 2001. Omitted expenditures totaled \$63,259 and \$78,514 respectively. In addition, eleven grants were misstated by a total of \$38,882 and \$160,839 for the years ended December 31, 2002 and 2001, respectively. Three other grants were reported under the wrong program number. Many of the errors involved grants managed by the Sheriff’s Department and the Health Center. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal awards.

- B. The county has not established cash management procedures to ensure the minimum time elapses between its receipt of federal Highway Planning and Construction – Offsystem Bridge Replacement (BRO) project monies and the distribution of such monies to contractors. For the project tested, we noted three of the eight reimbursements, totaling \$75,096, \$5,770, and \$12,731, were received and held 6, 23, and 48 days, respectively, before the related payment was made to the contractor. While the liability was incurred prior to reimbursement, payment was not made to the contractor in a timely manner.

Section XII-2 of Missouri Department of Transportation’s Local Program Agency Manual requires that BRO funds shall be requested such that they are received not more than two days prior to their disbursement.

**WE RECOMMEND** the County Commission:

- A. And the County Clerk prepare complete and accurate schedules of expenditures of federal awards to submit to the State Auditor’s Office as a part of the annual budgets. The County Commission should take steps to ensure other offices properly track and report federal awards, or consider appointing a county-wide grants coordinator.
- B. Establish procedures to minimize the time between the receipt of federal monies and disbursement of such funds to comply with program requirements.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

- A. *The County Commission and the County Clerk indicated they agree with the recommendation and, in the future, will ensure the SEFA is complete and accurate. This recommendation will be implemented by January 2004.*
- B. *The County Commission indicated they agree and that they attempt to make disbursements as soon as possible after receipt of a reimbursement. They indicated this recommendation has been implemented.*

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

CLARK COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Clark County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2000.

00-1. Circuit Clerk Open Items

At December 31, 2000, the Circuit Clerk had open items on deposit with a balance of \$90,494. This balance included numerous negative balances (indicating amounts due to the Circuit Clerk) totaling \$7,819. The oldest of these items appeared to be in excess of twenty years old. Of the \$98,312 in items with positive balances (amounts to be disbursed by the Circuit Clerk), the oldest items appeared to be on deposit since 1964.

Recommendation:

The Circuit Clerk obtain the necessary court orders to disburse funds on old open items with positive balances, and pursue collection of the open items with negative balances.

Status:

Partially implemented. The Circuit Clerk has significantly reduced the balance of old open items, however, she has not developed procedures for collecting on the open items with negative balances. See Management Advisory Report finding number 9.

00-2. County Bank Reconciliations

Copies of bank reconciliations for the period under audit were not available.

Recommendation:

The County Treasurer prepare and document on all bank reconciliations the date prepared and reconciled to the County Clerk's accounting records. Copies of these reconciliations should be retained in the County Treasurer's office.

Status:

Implemented.

00-3. Salary Commission

At the 1999 and 2000 meetings, the salary commission voted to increase the salaries of the county officials. These increases resulted in salaries ranging from 62 percent to 89 percent of the maximum allowable compensation for 1999 and 46 percent to 74 percent of maximum allowable compensation for 2000. State statutes indicate that if the salary commission votes to increase the compensation, all officers whose compensation is being considered at that time shall receive the same percentage of the maximum allowable compensation.

Recommendation:

The salary commission set salaries based upon a percentage of the maximum allowable compensation, for those county officials being considered at that point in time for compensation increases.

Status:

Partially implemented. At the 2001 salary commission meeting, the members voted to increase all salaries to 100 percent of the maximum allowable compensation per statute. The meeting minutes specifically indicate that the vote applies to the officials elected in 2002 and those elected in 2004. While the apparent intent of the vote was to fully implement the recommendation, it appears the salary commission was not authorized by state law to consider the salaries for the officials elected in 2004 at the 2001 meeting. Therefore, the action taken needs to be ratified again in the upcoming 2003 salary commission meeting for those officials who will be elected in 2004. Although not repeated in the current Schedule of Findings and Questioned Costs, the recommendation remains as stated above.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

CLARK COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2000, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

CLARK COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Clark County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 24, 2003. We also have audited the compliance of Clark County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 24, 2003.

We also have audited the operations of elected officials with funds other than those presented in the financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the financial statements of Clark County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

**1.****Financial Condition**

The General Revenue Fund and ½ Cent Sales Tax - Jail Operating Fund are in poor financial condition. These funds represent the county's main general operating funds. The following charts indicate the General Revenue Fund and ½ Cent Sales Tax - Jail Operating Fund receipts, disbursements, and cash balances for the three years ended December 31, 2002:

<b>General Revenue Fund</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Cash Balance, January 1	\$ 281	35,895	43,149
Receipts	1,004,039	869,194	759,164
Disbursements	1,004,084	904,808	766,418
Cash Balance, December 31	\$ 236	281	35,895

<b>½ Cent Sales Tax - Jail Operating Fund</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Cash Balance, January 1	\$ (5,020)	29,678	39,041
Receipts	275,460	220,202	214,895
Disbursements	270,286	254,900	224,258
Cash Balance, December 31	\$ 154	(5,020)	29,678

(The General Revenue Fund transferred \$26,200 to the ½ Cent Sales Tax - Jail Operating Fund in 2002 to offset a deficit. No other transfers between these two fund occurred during the other two years.)

The financial condition in the General Revenue Fund would have been even worse if the county had not made a questionable administrative transfer from the Special Road and Bridge Fund of approximately \$67,500 in 2002 (See Management Advisory Report finding number 3).

While receipts have increased each year, they have not kept pace with the increase in disbursements. Based on the 2003 budget, it appears the financial condition of General Revenue Fund and the ½ Cent Sales Tax - Jail Operating Fund is not expected to improve during the current year, and other factors will impact the General Revenue Fund in subsequent years. The 2003 General Revenue Fund's budget includes receipts of \$1,507,418 and disbursements of \$1,507,654, resulting in an estimated ending cash balance of \$0. These amounts include approximately \$500,000 in budgeted receipts and disbursements for new grants, however as of July 2003, the county did not expect the grants to be approved. Also, based on actions of the 2001 Salary Commission, officials elected in 2002 received raises of \$43,000 in 2003 and officials elected in 2004 may receive raises in 2005 totaling \$47,000. In 2004 and 2005, funding for some federal grants relating to the Sheriff's department will be exhausted. However, these grants require the county to continue funding the programs for at least an additional year. All of these issues will be a continuing strain on the General

Revenue Fund. The 2003 ½ Cent Sales Tax - Jail Operating Fund's budget includes receipts and disbursements of \$265,911 resulting in an estimated ending cash balance of \$154.

Numerous factors have contributed to the poor financial condition of the funds, including:

- The pay for the Public Administrator was moved to a salary basis in 2001, resulting in an additional cost of approximately \$10,000 per year.
- Increased disbursements for building and grounds of approximately \$34,000 in 2002. One disbursement was for a heating and cooling project in the courthouse.
- The General Revenue Fund transferred approximately \$17,000 and \$39,000 to funds, other than the ½ Cent Sales - Jail Operating Fund, during the years ended December 31, 2002 and 2001, respectively. These monies were primarily transferred to meet grant matching requirements and were another drain on tight General Revenue Fund resources.
- Disbursements from the two funds relating to the Sheriff's office and jail operations (excluding various grant expenditures) increased from approximately \$376,000 in 1998 to \$598,000 in 2002. It should be noted that some of the increase was offset by a corresponding increase in receipts. These increasing costs included additional deputy and jailer salaries, as well as purchases of vehicles and additional supplies.

The following are areas which the county should consider to help improve the financial condition of the General Revenue Fund and ½ Cent Sales Tax - Jail Operating Fund:

- Increase collection efforts on monies owed from board bills and court costs (See Management Advisory Report finding numbers 6 and 9).
- Ensure all allowable grant reimbursements are claimed timely and all reasonable efforts are made to obtain competitive pricing on purchases (See Management Advisory Report finding numbers 5 and 2).

The County Commission should review discretionary disbursements to ensure available county resources are used efficiently and to determine if long term reductions in discretionary disbursements are possible. In addition, the County Commission should ensure it maximizes receipts from all sources.

**WE RECOMMEND** the County Commission consider various alternatives of increasing receipts and/or reducing disbursements to improve the financial condition of the General Revenue Fund and the ½ Cent Sales Tax - Jail Operating Fund and to maintain an adequate operating cash reserve in the funds.

**AUDITEE'S RESPONSE**

*The County Commission indicated they agree and have been closely monitoring the financial condition. Some steps have been taken to increase receipts and decrease disbursements and they will continue working to improve the financial condition.*

<b>2. Procurement Procedures</b>
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The county did not always solicit bids and/or retain bid documentation for various purchases. In addition, the minutes did not adequately document bid information such as reasons for accepting other than the lowest bid or justification for sole source purchases and bid files appeared to be incomplete.

Bids were not advertised or solicited, or adequate bid documentation was not maintained for the following purchases:

Asphalt paving project	\$	46,000
2001 truck for Sheriff		25,999
2001 truck for Sheriff		22,206
Bullet proof vests		9,536
Communication equipment		9,298
1997 truck		5,975
Emergency 911 study		5,000

The county received only one bid and/or verbally indicated a sole source vendor was used on the following purchases:

Pumping equipment	\$	27,518
Pipe		18,883
Bridge decking		9,913
Culverts		4,651
Printing services		4,736

In addition to the above items, we noted other instances in which the county is not adequately bidding purchases:

- The county has not solicited bids for property, liability, and workman's compensation insurance for a number of years, even though the county spends approximately \$47,000 annually for insurance premiums.
- The county spends in excess of \$63,000 annually for fuel and oil used by Road and Bridge and Sheriff Department vehicles. Fuel for the Road and Bridge Department is purchased in bulk and stored in tanks at the Road and Bridge Department. The

county only solicited one bid each year from the one bulk fuel vendor used. In addition, each bid was for a one time purchase and no other bids were obtained during the year. The Sheriff's Department purchases fuel directly at the vendor's pump, but the county did not bid this service or solicit discounts on the pump price.

- During 2002, the county spent approximately \$263,000 for rock from the Special Road and Bridge Fund and the ½ Cent Sales Tax Road and Bridge Fund. It appears the county has occasionally solicited bids from several quarries that it uses. Each quarry charges different rates for each grade of rock and sometimes the rates vary between quarries. The County Commission indicated the determining factors for purchasing from one quarry instead of another are the cost of hauling, distance to the jobsite, and the quality of the rock. However, the county has not documented its analysis of these factors when determining whether to purchase from a particular quarry for specific projects.

Section 50.660, RSMo 2000, requires the advertisement for bids on all purchases of \$4,500 or more from any one person, firm or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding assures all parties are given an equal opportunity to participate in county business. Documentation of bids should include, at a minimum, a listing of vendors from whom bids are requested, a copy of the request for proposal, newspaper publication notices, bids received, the basis of justification for awarding the bids, and documentation of all discussions with vendors.

Considering the county's poor financial condition, every effort should be made to solicit bids from multiple vendors for all possible purchases to ensure the county is receiving the lowest and best price.

**WE RECOMMEND** the County Commission solicit bids for all purchase in accordance with state law and maintain adequate documentation of all bids obtained and the justification for selecting the winning bid. If bids cannot be obtained and sole source procurement is necessary, the County Commission minutes should reflect the circumstances.

### **AUDITEE'S RESPONSE**

*The County Commission indicated they agree. Though they believed they generally do a good job of bidding, every effort will be made to bid applicable purchases and appropriate bid documentation will be retained.*

The county made a questionable administrative transfer in 2002. In addition, the county does not have a personnel manual and time sheets/leave records are not always submitted to the County Clerk. Furthermore, the county's budgets and published financial statements did not properly report all financial activity, billing statements for rock purchases are not compared to delivery tickets and general fixed asset records/fuel records are not maintained or are incomplete.

- A. In 2002, the county made a questionable administrative transfer of approximately \$67,500 from the Special Road and Bridge Fund to the General Revenue Fund. The 2002 transfer included administrative transfers related to activity for prior years, including 1999, 2000, and 2001.

Section 50.515, RSMo 2002, allows the county to impose an administrative service fee on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services. The fee is limited to a maximum of three percent of the budget of the Special Road and Bridge Fund. While full transfers were budgeted each year, the County Commission decided to only take partial transfers in 1999 and 2001, and decided to take no transfer in 2000. As noted above, additional amounts for those years were then transferred in 2002. There was no documentation that, at the time the original decision was made to forego the full budgeted transfer in each of the years, a plan had been developed to take the balances in subsequent years. It appears questionable to forego the administrative transfers in the appropriate years and later rescind the decision and recoup the amounts when the General Revenue Fund experiences financial difficulties.

In addition, the audit report for the two years ended 1998 noted in the follow-up section that the General Revenue Fund still owed \$27,000 to the Special Road and Bridge Fund as the result of prior excessive administrative transfers.

- B. The county has not adopted an official personnel manual and time sheets/leave records for the Sheriff's department are not received by the County Clerk.
- 1) The county has not adopted an official personnel manual which details policies and procedures for county employees. Instead, many of the county policies are included in the county commission meeting minutes when approved and according to the commission, copies of the minutes containing these policies are given to all county employees. Failure to adopt an official personnel manual increases the likelihood of misunderstandings or unequal treatment of employees.

- 2) The County Clerk does not receive time sheets and records of accumulated leave balances from the Sheriff's department. In addition, while these records were supposed to be maintained by the Sheriff's department, we noted the Sheriff's records were incomplete and inaccurate, as discussed in Management Advisory Report finding number 6. As a result, the County Commission does not have documentation to support payroll expenditures or to monitor potential leave liabilities.

In May 2003, a deputy sheriff resigned and filed a claim of approximately \$26,000 with the County Commission for vacation, sick, holiday, personal, and compensatory time. Due to the failure to receive timesheets and leave records from the Sheriff's department, the county was apparently unaware of this large potential liability.

The FLSA requires employers to keep accurate records of actual time worked by employees, including leave balances, time taken, and used. The time records should be prepared by the employee, approved by the applicable supervisor, and filed with the County Commission. In addition, without centralized leave records, the County Commission cannot ensure that employees' leave balances are accurate and that all employees are treated equitably. Centralized leave records will also aid in determining unused leave upon termination of employment.

- C. The county's budgets and published financial statements did not properly report all financial activity of the ½ Cent Jail Building Fund. Principal totaling \$150,000 invested in certificates of deposit was excluded from the reported cash balances each year. In addition, related interest earnings of approximately \$16,500 were not reported when paid by the bank but were rolled over into new certificates for several years. The principal and interest amounts were instead reported as transfers-in during 2002 when they were redeemed to retire the bonds used to build the jail. Additionally, a \$46,000 temporary bank loan was also reflected as a transfer-in at that time.

Failure to include and properly classify all cash and receipt activity on the budgets and published financial statements reduces the effectiveness of the budget and reporting process and increases the susceptibility of county assets to loss or misuse.

- D. Billing summary statements for rock purchases, rather than individual invoices or delivery tickets, are used by the County Clerk as the basis for payment. Rock delivery tickets are not always forwarded to the County Clerk for comparison to the billing statements prior to payment. During the two years ended December 31, 2002, the county spent approximately \$560,000 for rock from the Special Road and Bridge Fund and the ½ Cent Sales Tax Road and Bridge Fund. Since the billing statements that the county is basing payment on are not agreed to the supporting invoices, the county does not have adequate assurance it is paying only for rock actually received.

E. The county did not update general fixed asset records timely or take an annual inventory. In addition, the Road and Bridge Department does not maintain an inventory record on bulk fuel and neither the Road and Bridge Department nor the Sheriff's Department reconcile fuel usage logs for vehicles to fuel purchases.

- 1) The County Commission or its designee is responsible for maintaining a complete, detailed record of county property. In the past, the County Clerk has been primarily responsible for these records. While the County Clerk maintained an inventory listing of fixed assets held by the county officials, the fixed asset listing had not been updated, nor had a physical inventory been completed, since April 2001. Examples of items purchased which were not included on the fixed asset listing include two motor graders valued at approximately \$199,000, four police vehicles, and a trackhoe. In addition, fixed assets have not been tagged since April 2001. The county has not developed a policy to define who is responsible for inventory records, the procedures to be followed, and the content of the records.

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the county clerk. The reports required by this section shall be signed by the county clerk.

Adequate fixed asset records are necessary to secure better internal controls over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Physical inventories of county property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Besides providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for handling of asset disposition, and any other concerns associated with county property.

- 2) The Road and Bridge Department does not maintain an inventory record for its bulk fuel tanks. To ensure the reasonableness of fuel expenditures, the Road and Bridge Department should maintain a fuel inventory record, adding all fuel purchased and deducting all fuel used. In addition, fuel on hand should be measured on a periodic basis and agreed to the fuel inventory record.

In addition, neither the Sheriff's Department nor the Road and Bridge Department periodically reconcile their fuel usage logs to the fuel inventory records or fuel invoices, as applicable.

Failure to inventory and reconcile fuel usage to fuel purchases increases the risk that theft or misuse of fuel could occur and not be detected. Periodic physical inventories are necessary to ensure the records are accurate, identify any unrecorded additions and deletions, and detect possible loss or theft. Information on the fuel usage logs should be reconciled to fuel purchases on a periodic basis.

**WE RECOMMEND** the County Commission:

- A. Develop a plan to repay the \$94,500 due from the General Revenue Fund to the Special Road and Bridge Fund.
- B.1. Adopt an official personnel manual and require employees to read the manual as a condition of their employment.
  - 2. Work with the Sheriff to ensure all time sheets and records tracking accumulated leave balances are forwarded to the County Clerk. In addition, the County Commission should periodically review leave balances to ensure balances do not exceed county policy.
- C. Ensure all applicable cash and receipt transactions are properly recorded on the budgets and published financial statements.
- D. Establish procedures to ensure all invoices are forwarded to the County Clerk for comparison to billing statements prior to payment.
- E.1. Establish a written policy related to handling and accounting for fixed assets. In addition, all fixed asset purchases and dispositions should be recorded as they occur, purchases of fixed assets should be reconciled to additions on the inventory records, and purchased items should be tagged or identified as county-owned property upon receipt.
  - 2. Maintain an inventory record of Road and Bridge Department fuel stored in bulk tanks and perform a physical inventory of the fuel. In addition, the Road and Bridge Department and Sheriff's Department should reconcile fuel usage logs to fuel purchases and review for reasonableness.

**AUDITEE'S RESPONSE**

- A. *The County Commission and County Clerk indicated they disagree with this recommendation. They believe the General Revenue Fund was entitled to the administrative transfers, based upon statute, whether or not they were taken in the original year budgeted*

*and that the planned transfers were based upon reasonable estimates of expenditures. However, in the future, they will make the transfers in a more timely fashion.*

- B.1. The County Commission indicated they agree and will try to comply with this recommendation.*
- 2. The County Commission indicated they agree and have already discussed the issue with the Sheriff. The Commission and the Sheriff indicated this recommendation will be implemented by January 2004.*
- C. The County Commission and County Clerk indicated they agree.*
- D. The County Commission indicated they agree and have already implemented this recommendation as of October 2003.*
- E.1. The County Commission indicated they agree and this recommendation will be implemented by January 2004.*
- 2. The County Commission indicated they agree and this recommendation will be implemented by April 2004. The Sheriff indicated he has already begun reconciling fuel usage logs to vendor invoices.*

**AUDITOR'S COMMENT**

- A. It appears that the administrative transfers should be taken in the year originally budgeted and to which they apply. If a decision is made to defer part of the transfer in the year originally budgeted, this decision should be documented in the commission meeting minutes and records maintained to track the amounts available for later transfer.

<b>4. Clark County Youth Fund</b>
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The Prosecuting Attorney frequently reduces charges filed on traffic tickets by requiring the defendants to make a “donation” to the Clark County Youth Fund as a condition of reducing the charges and entering into a plea bargain. According to the county budgets, receipts from donations totaled approximately \$27,000 and \$22,000 for the years ended December 31, 2002 and 2001, respectively. During our review of procedures related to these donations, we noted the following:

- A. The County distributes the donations to various non-for-profit organizations and other political subdivisions. By accepting the donations, it is possible that fines and penalties which may otherwise have been assessed and credited to the county school fund were not collected and distributed in accordance with an established formula designed to benefit all schools within the county.

Article IX, Section 7 of the Missouri Constitution states that the proceeds of all penalties, forfeitures and fines are to be distributed to the county school fund maintained by the state.

- B. The Prosecuting Attorney does not make the judge aware of the donation when presenting the plea bargain to the court.

Opinion 176 issued by the Judicial Commission on Retirement, Removal, and Discipline, states, “Even though the judge does not impose a charitable or civic payment as part of a sentence or condition of probation, when the judge knows such a payment is a pre-condition to receiving the recommendation, the appearance of a ‘payoff’ remains. The judge has the obligation to review the plea agreement and exercise discretion in a manner so as not to create the appearance of a ‘payoff’. The judge should not approve such a plea bargain absent an ordinance, statute, or constitutional provision authorizing such payments.”

The Prosecuting Attorney and Associate Circuit Judge should reevaluate whether these circumstances allow the judge to make an informed decision or whether this practice should be discontinued.

- C. The county has not retained appropriate oversight of the Clark County Youth Fund and has developed no guidelines defining allowable uses of the funds. The county has delegated the authority to approve disbursements to a board comprised of county residents. The board accepts and approves funding applications and submits the approved applications to the County Commission. The commission then issues a check to the organization. The county could provide no supporting documentation, other than the initial application, for seven of eleven disbursements reviewed, ranging from \$1,000 to \$2,500. In addition, there was no clear governmental purpose documented for some of the disbursements reviewed. While some of the monies were disbursed to schools and related programs for library books and sports uniforms, other disbursements were for items such as plane tickets for a Future Farmers of America conference, an "after-Prom" party, and a public address system at the fairgrounds, each which cost \$1,000.

The lack of county involvement in the management and disbursement process could result in funds not being used for the intended purposes.

**WE RECOMMEND** the Prosecuting Attorney and the Associate Circuit Judge determine whether requiring donations as part of a plea bargain is acceptable. If this practice is continued, the Prosecuting Attorney and the Associate Circuit Judge should establish guidelines for how donation amounts are determined. In addition, county officials should maintain a more direct role in the management of these funds, ensuring written guidelines are developed to establish the allowable governmental purposes for which the monies may be used and ensuring adequate supporting documentation is received for each disbursement.

**AUDITEE'S RESPONSE**

*Prosecuting Attorney:*

*The Prosecuting Attorney provided the following response:*

*Article IX, Section 7 of the Missouri Constitution does, in fact, provide that all fines and forfeitures are to go to the school fund. Unfortunately, the Legislature eludes this clear provision in its school funding "formula" by reducing on a dollar for dollar basis the amount of State money provided to that school district by the amount received from the fine and forfeiture fund in the previous year. Thus, unless the amount received from the fine and forfeiture fund increases each year, the school districts actually receive less money in the subsequent year than in the previous year.*

*As far as the amount of donations are concerned, I have explained to your field auditors that the amount of donation is \$50 to amend the speed of the ticket and \$150 to amend the speeding ticket to equipment violation. I have, on occasion, permitted a defendant to substitute a specified amount of community service in lieu of the Youth Fund Donations if they were simply unable to pay the donation.*

*I have intentionally chosen to have nothing to do with the distribution of funds from the Youth Fund to avoid any appearance of impropriety in funding organizations that my children are involved in. I agree, however, that some follow-up controls are needed to assure that the monies are spent properly.*

*Associate Circuit Judge:*

*The Associate Circuit Judge indicated that he has no knowledge of the Prosecuting Attorney's amendments or any conditions imposed under the present practice; thus he believes this does not constitute a plea bargain although he believes the appearance of a plea bargain is created. He added that he would send a letter to the Prosecuting Attorney requesting the Prosecuting Attorney to cease amending tickets when a condition of that amendment is a donation to the Clark County Youth Fund.*

*County Commission:*

*The County Commission indicated that they generally get documentation of the expenditures but will now require such documentation as a condition to the grant.*

<b>5. Sheriff's Grants</b>
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Records, procedures, and monitoring were not adequate for Sheriff's Department grants with expenditures in excess of \$189,000 during the two years ended December 31, 2002.

A. Records and procedures were inadequate to ensure grants were properly managed, reimbursement requests and payments were accurate and timely, and required reports were prepared.

- 1) Grant records and files were disorganized and incomplete. While the quality of the records has improved since another deputy was assigned the responsibility, the department did not always retain the documentation to support reimbursement requests and financial status reports for each grant. In addition, it appears the county relies on information received from the granting agency to provide the balance of each grant. However, our review of information provided by the granting agency noted discrepancies between what the agency reported and what the county actually received.
- 2) An activity log to summarize the grant award, amounts and dates of reimbursement claims and payments, and required financial status reporting dates, is not maintained for each grant. In addition, there appears to be little or no monitoring or oversight to ensure claims and reports are submitted and payments are received.
  - One deputy is assigned the duties of maintaining the grant records and submitting reimbursement requests to the granting agencies, while the County Treasurer receives the reimbursement payments. However, the deputy does not provide copies of reimbursement requests to the County Treasurer and does not receive information about the resulting payments. As a result, the county has little assurance that payment has been received on all requests filed. Reimbursement from the COPS Universal Grant on three requests totaling \$28,761 was not received for two to seven months after the claims were filed.
  - Reimbursement requests are not submitted in a timely manner. The COPS Universal Grant and COPS More '98 Grant programs appeared to allow reimbursement claims to be filed at least quarterly. However, we noted several reimbursement requests for these programs which covered more than three months or which were filed more than one month after the end of the quarter. These untimely claims totaled \$81,182.

Information on the following charts was obtained from county-prepared reimbursement worksheets and financial status reports and grantor payment confirmations.

COPS Universal Grant

Claim Period		Date Filed	Date Received		Amount
7/1/2000	9/30/2001	11/2/2001	11/5/2001	\$	41,185
10/1/2001	3/31/2002	5/29/2002	1/10/2003		14,603
4/1/2002	6/30/2002	11/8/2002	1/10/2003		7,079
7/1/2002	9/30/2002	11/8/2002	1/10/2003		7,079

COPS More '98 Grant

Claim Period		Date Filed	Date Received		Amount
1/1/2001	9/30/2001	10/17/2001	11/5/2001	\$	7,653
10/1/2001	3/31/2002	5/12/2002	5/30/2002		10,662

- Reimbursement requests on the COPS Universal Grant do not appear to be accurate. Our analysis of the costs and reimbursements indicated that the county may have under claimed approximately \$8,000 in 2001. The under claimed amount was derived from the expenditures per the budget times the federal share as compared to the actual amount requested. In addition, it appears expenditures were over claimed in 2002 by approximately \$5,900 because the county claimed total program expenditures for two quarters, rather than just the federal share.
- Financial status reports were not filed in a timely manner for the Crime Victim Assistance (VOCA) grant. As a result, the county's 2003 grant application was denied and the county lost federal funding of approximately \$6,600.

To ensure grants are properly managed, claims and payments are timely and adequately supported, and required financial status reports are prepared when due, adequate procedures should be developed and appropriate, complete records maintained.

- B. Payroll expenditures claimed against the Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant (DWI Mini-grant) were not always supported by time sheets. The county received and expended \$31,768 on the grant in 2002. However, for the 8 employees paid from the grant, timesheets for several months, representing approximately \$13,700 in costs claimed, were either incomplete or not prepared. Without adequate supporting documentation, these costs appear questionable and could be disallowed by the granting agency.

- C. The county does not appear to have a clear understanding of its obligation on each grant. The COPS in Schools and COPS More grant agreements required the county to fund the programs for an additional year. Based upon discussions with the County Commission and the County Clerk, the county apparently did not fully understand that the agreements required the county to provide continuing funding after federal funding ended. During the two years ended December 31, 2002, the total costs for the two programs exceeded \$50,000.

**WE RECOMMEND** the County Commission and Sheriff:

- A. Maintain complete and accurate records of all grants including a grant activity log to track grant awards, amounts and dates of reimbursement claims and payments, and required financial status reporting dates. In addition, policies and procedures should be developed to ensure reimbursement requests are submitted and reimbursements are received in a timely manner. The county should also review expenditures and reimbursements for the COPS Universal Grant to determine if the county has requested the appropriate reimbursements.
- B. Contact the granting agency to resolve the questioned costs and ensure supporting documentation is maintained on future grants.
- C. Review grant applications and ensure the obligations are understood and considered when budgets are prepared.

**AUDITEE'S RESPONSE**

- A. *The County Commission indicated they agree and will discuss the issue with the Sheriff and Treasurer to ensure complete records of awards, claims, and reimbursements are developed. The Sheriff indicated his office is currently working on updating the grant records and is developing procedures to track awards and ensure requests are submitted in a timely manner and monitored to ensure timely payment. Finally, his office is reviewing receipts and disbursements of the COPS Universal grant.*
- B. *The Sheriff indicated he agrees and will contact the granting agency to resolve the questioned costs. This will be implemented by February 2004.*
- C. *The County Commission and Sheriff indicated they agree and in the future, grant obligations will be considered during the budget process.*

<b>6. Sheriff's Controls and Procedures</b>
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Time sheets and leave records are not always prepared by sheriff deputies or reviewed and approved by supervisors, and these records are not forwarded to the County Clerk. In

addition, accounting duties are not adequately segregated and receipts are not deposited in a timely manner. Finally, there are no procedures in place to ensure all costs for boarding prisoners of other counties are billed and received.

The Sheriff's department has approximately 19 employees and handles various receipts including bond monies, jail board bills, grant monies, permit fees, and other miscellaneous receipts. During the two years ended December 31, 2002, the Sheriff's office collected receipts totaling approximately \$225,000.

- A. Time sheets are not always prepared, supervisory reviews of time sheets are not performed, and as noted in Management Advisory Report finding number 3, time sheets are not forwarded by the Sheriff to the County Clerk. Instead, the Sheriff's department forwards a listing of total hours worked by employee and by fund. This listing is prepared from time sheets, if available, or from dispatching logs.

We reviewed time sheets prepared for fourteen deputies during the two years ended December 31, 2002. None of the time sheets reviewed included documentation of supervisory approval and, as noted in Management Advisory Report finding number 5, timesheets were not prepared for hours worked by some of the deputies related to one grant program. In addition, it appears that some time sheets were not prepared when the work was performed, but were prepared later from entries in the dispatch log and were sometimes prepared by someone other than the employee.

Proper control over payroll requires documentation, such as time sheets prepared and signed by employees and approved by supervisors, to provide evidence of actual time worked each month. In addition, the Fair Labor Standards Act (FLSA) requires accurate records of actual time worked by employees be maintained. Preparing timesheets after the fact, or by other than the applicable employee, increases the risk for timesheets to be inaccurate.

- B. Leave records (annual, sick, and compensatory) are not periodically reviewed for reasonableness by supervisory personnel, county leave policies are not being followed, and leave records do not appear to be accurate.

In November 2001, the County Commission adopted a compensatory time policy which required all employees to use such time in the year earned. However, as of December 31, 2002, compensatory balances totaling approximately 2,800 hours were being carried for the Sheriff's employees. This includes three employees carrying between 150 and 400 hours and one employee carrying approximately 1,350 hours, representing approximately one-half of the total. There was no documentation that these balances were periodically reviewed for reasonableness or to ensure employees were allowed to schedule time off to use some of the accumulated hours. As noted in Management Advisory Report finding number 3, the employee with the largest compensatory time balance resigned in May 2003 and presented the county with a claim for over \$26,000 in accumulated leave.

We further reviewed the timesheets and leave records of the deputy with the largest overtime balance for four days in May and July of 2002. The records indicated the deputy claimed 38 hours of overtime for those four days. For example, the timesheets indicated the deputy worked 19 hours on July 9<sup>th</sup> and 20 hours on July 10<sup>th</sup>. However, the dispatch log indicated the deputy was only logged into service for 9.75 hours on July 9<sup>th</sup> and was never logged into service on July 10<sup>th</sup>. In addition, the timesheets reflected 15 hours worked on May 8<sup>th</sup> and 16 hours worked on May 15<sup>th</sup>. However, the dispatch log only indicated the deputy was logged into service for 9.5 and 8.25 hours on those days, respectively. Again, there was no documented supervisory review of the timesheets and leave records to identify and explain these discrepancies.

To ensure that leave being earned is appropriate, reasonable and properly managed, a periodic supervisory review of accumulated leave records should be performed and documented. In addition, the FLSA requires employers to keep accurate records of actual time worked by employees, including leave earned, taken, and balances for each type of leave.

- C. Duties are not adequately segregated and there is no independent oversight. Currently, several employees, including a night dispatcher, collect monies. The night dispatcher is also responsible for all accounting duties including recording, depositing, and disbursing monies, as well as reconciling the bank accounts. To ensure proper accountability, the duties of receiving and depositing should be segregated from recording and reconciling receipts. If proper segregation is not possible, at a minimum, periodic supervisory reviews should be performed and documented. Failure to adequately segregate duties or provide a supervisory review increases the risk that errors or irregularities will not be detected in a timely manner.
- D. Receipts are not deposited timely. Per our review of two months' activity, monies are deposited 5 to 7 times per month. One deposit in June 2001, totaling \$1,678, contained some monies held 7 days before deposit and one deposit in November 2002, totaling \$2,500, contained monies held 6 days before deposit. In addition, we noted that checks and money orders are not restrictively endorsed upon receipt. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed upon receipt and deposits should be made intact daily or when accumulated receipts exceed \$100.
- E. The Sheriff's department houses prisoners for other counties and cities, bills the various entities for these services, and collects the related payments. A log is not maintained for amounts billed to or collected from the various entities, nor is a central file of billings maintained for comparison to collections. In addition, payments received are not matched to the billing statements as a means to track and

follow-up on unpaid bills. During the years ended December 31, 2002 and 2001 the Sheriff's Department collected approximately \$40,600 and \$26,200, respectively, from other entities for board of prisoners.

The Sheriff should maintain a log of amounts billed to and collected from the various entities. Unpaid board bills should be monitored and appropriate follow-up action taken to ensure county costs are recouped.

**WE RECOMMEND** the Sheriff:

- A. Require time sheets be prepared regularly by all employees, reviewed by supervisors, and submitted to the County Clerk.
- B. Ensure county leave policies are being followed and require periodic supervisory reviews of employee leave records for reasonableness and accuracy.
- C. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- D. Endorse checks and money orders immediately upon receipt and deposit receipts daily or when accumulated receipts exceed \$100.
- E. Maintain a log of amounts billed to and collected from the various entities for boarding of prisoners as a means to track and follow-up on amounts due to the county.

**AUDITEE'S RESPONSE**

- A. *The Sheriff indicated he agrees and employees are now required to prepare time sheets and supervisors are required to review and approve these time sheets. The Sheriff indicated he also now approves all timesheets and beginning in January 2004, time sheets will be submitted to the County Clerk.*
- B. *The Sheriff indicated he agrees and employees have now been made aware of county and departmental leave policies. He has also established a new comp-time policy to further limit the amounts that can be accumulated. Currently, he and supervisors are reviewing and approving some leave records and he anticipates having this recommendation completely implemented by January 2004.*
- C. *The Sheriff indicated he agrees and is in the process of retraining and reassigning duties to achieve better segregation. This recommendation will be implemented by May 2004.*
- D. *The Sheriff indicated he agrees and this has already been implemented.*

- E. *The Sheriff indicated he agrees and procedures have now been developed to track board billings and ensure payments are received.*

<b>7. Prosecuting Attorney's Controls and Procedures</b>
--

Accounting duties in the Prosecuting Attorney's office are not properly segregated and the bad check system is not adequate to account for all activity.

The Prosecuting Attorney's office receives monies for bad check restitution and fee payments. Payments are to be made by two separate money orders or cashier's checks; one payable to the vendor for the amount of the bad check and one payable to the Prosecuting Attorney's office for bad check fees. According to the Prosecuting Attorney's records, receipts from bad check restitution and fees totaled approximately \$26,735 and \$48,372 for the years ended December 31, 2002 and 2001, respectively.

- A. Duties are not adequately segregated and there is no independent oversight. Currently, all accounting duties, including receiving and recording bad check complaints and payments, transmitting and disbursing monies, following up on amounts still due, and maintaining the bad check records are performed by one employee. To ensure proper accountability, the duties of receiving and recording complaints and payments should be segregated from the duties of disbursing and transmitting monies and following up on amounts due. If duties cannot be adequately segregated, someone independent should periodically review the bad check records for accuracy and completeness by comparing records of monies received with documentation of disbursement of such monies to the County Treasurer and the vendors, as well as ensuring recorded dispositions appear proper. Failure to adequately segregate duties or provide a supervisory review increases the risk that errors or irregularities will not be detected in a timely manner.
- B. An adequate system to account for all bad check complaints received by the Prosecuting Attorney's office, as well as subsequent disposition of these complaints, has not been established. The Prosecuting Attorney's office does not require a complaint form, including all information necessary for collection or prosecution, to be completed by the vendor when dropping off or mailing in bad checks. In addition, a summary log of complaints received is not maintained. Instead, a log is maintained for each vendor, listing all bad checks submitted for collection by the vendor. Our review noted that the logs were not updated timely to show actions taken and included many checks which couldn't be processed due to a lack of sufficient information being provided by the vendor. Many of these uncollectable checks were still on hand, rather than being returned to the vendor timely.

To ensure all bad checks turned over to the Prosecuting Attorney are properly handled, a sequentially pre-numbered complaint form, including all information necessary for collection or prosecution, should be prepared for each bad check

received and a summary log should be maintained listing each complaint and its disposition. The log should contain information such as the complaint number, the merchant's name, the issuer of the check, the amount of the bad check fee, and the disposition of the bad check, including the date restitution was received and disbursed to the vendor, the date and criminal case in which charges were filed, or other disposition. In addition, documentation should be obtained from the merchant to indicate their receipt of the restitution and any bad checks which cannot be processed should be returned to the vendor timely.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Utilize a pre-numbered complaint form, including all information necessary for processing, and maintain a summary log to adequately account for bad check complaints as well as the ultimate disposition. In addition, all checks lacking sufficient information should be returned to vendors in a timely manner and documentation should be obtained from the vendor to indicate their receipt of restitution.

**AUDITEE'S RESPONSE**

*The Prosecuting Attorney provided the following response:*

- A. *I recognize that the system is not perfect. However, I believe we have a good system in place which works appropriately in the vast number of bad checks.*

*I realize that in a perfect world the recommendation made in your audit report would be appropriate. However, in my part-time position I have only one secretary. The secretary from my private office ends up assisting to a great extent in the bad check collections simply because my prosecutor secretary does not have time to do so given the other demands of the job. Further, the amount we generate in bad check fees would not be sufficient to pay a person to handle the job. Thus, I have no effective way to separate the duties and functions of the system. I will, however, review the documentation of the fund periodically to satisfy myself that there are no problems with the system.*

- B. *I doubt that my businesses will cooperate effectively in using pre-numbered complaint forms to send in with their checks. Unfortunately, some of them consider it a burden to them to either bring or mail the checks to us to try and collect for them. I will, however, begin a system for calendar year 2004 where we will log all checks received by the office in addition to our subsidiary listing of the checks by vendor so that tracking these checks later is an easier job for your office.*

## **AUDITOR'S COMMENT**

- B. The records and controls recommended in the finding are necessary to allow the elected official to monitor and ensure accountability over bad check activity within the office for which he is responsible.

<b>8. Associate Circuit Court Controls and Procedures</b>
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Accounting duties in the Associate Circuit Court are not adequately segregated and receipts are not deposited in a timely manner. In addition, differences in the bank reconciliations have not been resolved since November 2002 and accrued costs on numerous old cases have not been written off timely.

The Associate Circuit Court processes monies for civil, criminal and probate cases, traffic tickets, and bonds. Receipts totaled approximately \$251,000 and \$278,000 for the years ended December 31, 2002 and 2001, respectively.

- A. The duties of receiving, recording, depositing, and disbursing monies are not adequately segregated. Currently, all employees receive, record, and prepare deposits. In addition, the Associate Circuit Clerk also disburses monies and is ultimately responsible for reconciling the bank account. The Associate Circuit Clerk indicated she reviews the reconciliation of daily receipts to bank deposits, however, the review is not documented.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance. This could be achieved by segregating the functions of receiving and depositing court monies from that of recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of recorded receipts and bank deposits.

- B. Receipts are not deposited timely. During the month of August 2002, the court made deposits on only 3 days. While the court is closing out the cash drawers and preparing deposits every day or two, they are not taking the deposits to the bank until several have accumulated. For example, on August 19 the court made seven deposits totaling \$8,602 and covering 12 business days' activity. Additionally, a review of a two week period in November 2001 noted only three deposits, ranging between \$2,111 and \$3,467 and covering several business days' activity each. Finally, checks and money orders are not restrictively endorsed upon receipt.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed upon receipt and deposits should be made intact daily or when accumulated receipts exceed \$100.

- C. As of July 2003, differences in the bank reconciliations had not been resolved since November 2002. The differences involve numerous voids and other reconciling items. Bank reconciliations were prepared by the Associate Circuit Clerk until implementation of the Banner (JIS) accounting system in September 2001, at which time the Office of State Courts Administrator (OSCA) began preparing them. While the bank reconciliations were being prepared by OSCA for a majority of the audit period, it is ultimately the Associate Clerk's responsibility to ensure that differences are resolved in a timely manner. Failure to resolve errors and reconciling items timely increases the risk that other errors or misstatements will not be detected on a timely basis.
  
- D. The court has not periodically written off old inactive case balances. As of April 1, 2003, the Associate Circuit Court had accrued case costs totaling approximately \$253,000. About 25 percent of the accrued costs are from 1999 and prior, with some costs dating back to the 1980s. The court maintains a card file of amounts due on each case and reviews the card file once a month to ensure payments are being made in agreement with payment agreements. The card file is also reconciled periodically with the computerized record of amounts due. If required payments are not made, warrants are issued. While the court has adequate procedures to collect and monitor the accrued costs, and payments are still being made on some of the old cases, many have had warrants issued and further collections are doubtful.

The lack of timely write offs of old inactive case balances increases the volume of cases which must be monitored and controlled, putting a greater burden on limited personnel resources.

**WE RECOMMEND** the Associate Circuit Division:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
  
- B. Deposit receipts intact daily or when accumulated receipts exceed \$100 and restrictively endorse checks and money orders upon receipt.
  
- C. Ensure that differences in the bank reconciliations are resolved in a timely manner.
  
- D. Review old cases with accrued costs and write off, by court order, those cases which are determined to be uncollectable.

## AUDITEE'S RESPONSE

The Associate Division Judge and Clerk provided the following responses:

- A. *On JIS, each person reconciles and prepares her own deposit and the person responsible for doing the total bank deposit checks and reconciles all the deposit batches. All deposits will be initialed by the person making the bank deposit.*
- B. *Deposits are not made as frequently as they should be. In reviewing several months since the audit, we averaged one per week in June, one per week in July, one per week in August and three in September. We will try to be more prompt and frequent with deposits.*

*We have already implemented the audit recommendation regarding endorsements. Checks and money orders are being endorsed upon receipt.*

- C. *Bank reconciliations have not been done in the Associate Circuit Court since about six months after JIS was implemented due to the confusion of the reports. The large amount of ticket money that is received prior to filing of the tickets creates numerous voids that make reconciling the bank statements quite complicated. At that time, OSCA began helping with the bank reconciliations. They have now been done by OSCA through December 2002. Bank statements have been sent to OSCA through September 2003. New policies have been implemented that should make bank reconciliations easier and we have made arrangements with OSCA to try and reconcile all past bank statements.*
- D. *As of November 10, 2003, the Associate Circuit Court has accrued court case costs totaling \$197,406. We actively pursue all costs and fines owed to the court. We have already followed the audit recommendation and have reviewed all old warrant cases. By judicial order, we have written off fines and costs of \$63,730 which were deemed uncollectable.*

<b>9. Circuit Clerk's Controls and Procedures</b>
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Accrued case costs are not actively pursued or periodically written off when uncollectable, and some open items have not been appropriately handled. In addition, accounting duties are not adequately segregated and differences in the bank reconciliations are not always resolved.

The Circuit Clerk's office processes monies for civil and criminal fees, fines and bonds. Receipts totaled approximately \$366,000 and \$159,000 for the years ended December 31, 2002 and 2001, respectively.

- A. The Circuit Clerk is not actively monitoring or pursuing collection of accrued case costs. As of April 2003, accrued case costs (court costs, court ordered restitution, fines on criminal cases, and court costs on civil cases) totaled approximately \$528,000. Of that amount, 29 percent is related to cases from 1999 and prior. Through our review, it appears that the court did not always use various options

available to collect unpaid monies. Such options include periodic re-billings, show cause orders, and requesting the Circuit Judge to issue warrants. In addition, it appears that the Circuit Court has not periodically written off uncollectable accounts.

Ineffective monitoring of cases with accrued costs and failure to utilize available options in a timely manner can result in lost revenue for the court and lost restitution for victims. In addition, the lack of timely write offs of old inactive case balances increases the volume of cases which must be monitored and controlled, putting a greater burden on limited personnel resources.

- B. The county's General Revenue Fund paid in excess of \$9,000 to the Circuit Clerk during the audit period to cover negative account balances in the open items listing for cases that had already been distributed. In addition, the Circuit Clerk paid the State Treasurer's Unclaimed Property Section (UPS) approximately \$13,500 of unclaimed and unidentified monies. Our review of the Circuit Clerk's open items activities noted the following concerns:

- 1) Open item monies on deposit were improperly used to pay costs associated with other criminal and civil cases. The court collects \$125 in advance on civil cases to cover known court costs. Any additional costs should also be collected prior to performing the additional services. For criminal cases, such costs should be billed to the appropriate party and not distributed until collected. However, on some cases the court incurred and distributed some costs without receiving the additional monies from the appropriate parties. The court then billed the county when the costs were not recovered.

Section 488.020, RSMo 2002, requires all court costs, except as otherwise provided by law, are payable prior to the time the service is rendered; provided that if the amount of such court cost cannot be readily determined, then the clerk shall collect a deposit based upon the likely amount of such costs, and the balance of such court cost shall be payable immediately upon ascertainment of the proper amount of said court costs. An official may refuse to perform any service in any action or proceeding, other than a criminal proceeding or when waived as provided by law, until the court costs are paid.

- 2) The pre-Banner bank account had an unidentified balance of \$2,256 at March 31, 2003 and has had little activity since a post-Banner account was opened in September 2001. According to the Circuit Clerk, every effort has been made to identify the unidentified balances to specific cases.

Old unidentified case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on limited personnel resources.

3) During the audit period, the court disbursed approximately \$13,500 to the UPS with no evidence that the amounts were discussed with, or ordered by, the Circuit Judge. All disbursements of unidentified monies and write-offs of case balances should be based upon court order.

C. The duties of receiving, recording, depositing, and disbursing monies and reconciling the bank account are not adequately segregated. Currently, the Circuit Clerk primarily performs all these duties. Occasionally, the deputies will collect and receipt monies and deposit monies for the Circuit Clerk. Also, reconciliations of daily receipts and cashier reports to bank deposits are not documented.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance. This could be achieved by segregating the functions of receiving and depositing court monies from that of recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of recorded receipts and bank deposits and an independent review of bank reconciliations.

D. Receipts are not deposited on a timely basis. While improvements have been made in the frequency of deposits since the prior audit, monies are still not being deposited on a timely basis. A review of November 2001 and July 2002 noted approximately one to two deposits weekly. Some of the deposits were in excess of \$1,000 and included monies which had been held up to six days before deposit.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100.

E. As of July 2003, differences in the bank reconciliations had not been resolved since December 2002. It appears the errors may be related to double receipting, not receipting some transactions and numerical errors. Failure to resolve errors and reconciling timely increases the risk that other errors or misstatements will not be detected on a timely basis.

Similar conditions were noted in prior reports.

**WE RECOMMEND** the Circuit Clerk:

A. Establish procedures for actively monitoring and pursuing the collection of accrued costs. If collection of such costs cannot be made, case balances should be written off, by court order, in a timely manner.

- B.1. Collect costs on civil cases in advance and not use open item monies to pay costs on other cases.
- 2. Close the pre-Banner account and appropriately disburse the unidentified monies.
- 3. Disburse unidentified monies and write-off case balances only upon court orders issued by the Judge.
- C. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- D. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- E. Ensure that differences in the bank reconciliations are resolved in a timely manner.

### **AUDITEE'S RESPONSE**

- A. *The Circuit Judge and Circuit Clerk indicated they agree and will be sending billing letters to all who owe monies. For accounts unpaid after that, show cause orders will be issued. Payment plans have been established on all newer cases and all unpaid cases will be monitored monthly. They will also be reviewing old cases for potential write-off. They will try to implement these procedures by February 2004.*
- B.1. *The Circuit Judge and Circuit Clerk indicated they agree and raised initial filing fees earlier in 2003. They have begun requiring additional payments prior to performing services and will again be reviewing the adequacy of initial filing fees. They have discontinued using open item monies to pay costs on other cases.*
- 2&3. *The Circuit Judge and Circuit Clerk indicated they agree and will disburse the monies as soon as instructed where the monies should go. All future write-offs or disbursements of unidentified monies will be done by court order.*
- C. *The Circuit Clerk indicated she agrees and has begun having her deputies receipt monies also. She then reconciles posted receipts with monies on hand when preparing deposits. The Circuit Clerk indicated she would have one of her deputies reconcile receipts that she handles. She also noted that an employee of the Office of State Courts Administrator is involved in doing monthly bank reconciliations.*
- D. *The Circuit Clerk indicated she agrees and that she tries to make deposits as often as possible. She noted that occasionally, due to her presence in court hearings or a lack of collections, deposits may not be as frequent.*
- E. *The Circuit Clerk indicated that all Circuit accounts have now been reconciled up to the current month and differences have now been resolved and corrected.*

## Follow-Up on Prior Audit Findings

CLARK COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Clark County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1998, and our Special Review of the Office of Circuit Clerk, issued July 22, 1999.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Drug Dog

- A. Following the death of a former drug dog, the citizens of the county donated approximately \$20,000 to replace the dog. The former sheriff paid \$12,000 to a deputy to purchase a new drug dog and cover any travel and training expenses incurred. However, documentation was not obtained from the deputy to support the \$12,000 disbursement.
- B. Donations for the dog and DARE monies were held in bank accounts maintained by the former Sheriff until they were turned over to the County Treasurer in 1998. In addition, the former Sheriff did not maintain bank and accounting records for the account.

Recommendation:

The County Commission request officials turn over all donations to the custody of the County Treasurer. In addition, adequate documentation and bank and accounting records should be maintained to support all expenditures.

Status:

A&B. Implemented.

2. County Salary Commission

At the 1997 salary commission meeting, the members voted to increase the salaries of the county officials by 10 percent of the difference between the current salaries and the statutory maximum. This method of calculating salary increases was not specifically allowable by state law. In addition, the county did not obtain a written opinion from the Prosecuting Attorney to support this decision.

Recommendation:

The County Commission obtain written opinions from the Prosecuting Attorney to support the decision made by the salary commission in 1997.

Status:

See similar finding in "Follow-up on Prior Audit Findings For An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*", finding number 00-3.

SPECIAL REVIEW OF  
OFFICE OF CIRCUIT CLERK

1. Missing Funds

Nineteen receipts totaling \$2,010 were not deposited to the Circuit Clerk's fee account between September 1, 1997, and February 17, 1999. The Circuit Clerk repaid \$550 of the monies on December 16, 1998.

Recommendation:

The Circuit Clerk work with law enforcement officials regarding any criminal prosecution and obtain reimbursement of the remaining \$1,460.

Status:

Implemented. The Circuit Clerk repaid \$490 of the monies on March 31, 1999, and repaid the remaining \$970 on August 31, 1999. No criminal prosecution was made.

2. Accounting Controls And Procedures

- A. The duties of receiving, recording, depositing, and disbursing monies and reconciling the bank account were not adequately segregated.
- B. Receipts were not deposited intact on a timely basis.
- C. Receipt slips were not issued for some monies received.
- D. Receipts and disbursements were not recorded on the cash control ledger or the case fee sheets on a timely basis. Some monies for which receipts slips were not issued, were also not recorded in the cash control ledger. In addition, many mathematical errors were made in the recording receipts and checks, as well as in preparing totals and balances.

- E. The Circuit Clerk did not reconcile the bank balance to the cash balance shown on the ledger.
- F. Monthly listings of open items were not prepared.
- G. A complete listing of accrued costs owed to the court was not maintained by the Circuit Clerk. In addition, monitoring procedures related to accrued costs were not adequate.

Recommendations:

- A. Provide for segregation of duties and ensure that independent reconciliations and reviews of accounting records are performed.
- B. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- C. Issue receipt slips for all monies received.
- D. Record receipts and disbursements in the cash control ledger accurately and in a timely manner.
- E. Reconcile the cash control ledger to bank records monthly and investigate and resolve any differences on a timely basis.
- F. Prepare accurate monthly listings of open items and reconcile such listings to the cash balance. Any differences should be investigated and resolved.
- G. Maintain a complete and accurate listing of accrued costs and pursue timely collection.

Status:

- A&B. Not implemented. See MAR No. 9.
- C. Implemented.
- D. Implemented. In September 2001, the Circuit Court went online with a computerized accounting and case management system, the Justice Information System (JIS). As a result, once money is receipted in the system, the cash control ledger and the fee sheets are automatically updated by the system.
- E. Implemented. The JIS system now in use reconciles the bank balance to the cash balance monthly.

- F. Partially implemented. The JIS system includes prior cases entered on the system and all new cases since its September 2001 implementation. The system tracks and reconciles open items for all such cases. However, the Circuit Clerk's office also maintained a separate manual open items listing for old cases not transferred to the new JIS system and which were held in the old fee bank account. The Circuit Clerk disbursed identifiable open items from this old account and some unidentified and unclaimed monies were turned over to the state as unclaimed property. Approximately \$2,000 remains in unidentified monies in this old fee account. See MAR No. 9.
  
- G. Partially implemented. A complete listing of accrued costs owed to the court is now being maintained on the JIS system. However, the Circuit Clerk is not actively pursuing timely collections. See MAR No. 9.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

CLARK COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1836, the county of Clark was named after William Clark, a member of the Lewis and Clark Expedition and governor of the Missouri Territory. Clark County is a county-organized, third-class county and is part of the 1st Judicial Circuit. The county seat is Kahoka.

Clark County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 543 miles of county roads and 119 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 8,493 in 1980 and 7,416 in 2000. The following chart shows the county's change in assessed valuation since 1980:

	Year Ended December 31,					
	2002	2001	2000	1999	1985*	1980**
	(in millions)					
Real estate	\$ 41.5	40.8	40.0	39.3	29.3	21.5
Personal property	18.5	17.9	17.6	17.5	11.8	9.6
Railroad and utilities	10.6	11.1	11.8	11.4	9.8	6.7
Total	\$ 70.6	69.8	69.4	68.2	50.9	37.8

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Clark County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,			
	2002	2001	2000	1999
General Revenue Fund	\$ .3487	.3700	.3800	.3600
Special Road and Bridge Fund*	.7000	.7000	.7000	.7000
Health Center Fund	.1000	.1000	.1000	.1000

\* The county retains all tax proceeds from areas not within road districts. The county has one road district that receives four-fifths of the tax collections from property within this district, and the Special Road and Bridge Fund retains one-fifth. The road district also has an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2003	2002	2001	2000
State of Missouri	20,969	20,838	20,474	20,387
General Revenue Fund	261,029	265,662	266,602	247,729
Special Road and Bridge Fund	425,925	422,416	413,855	413,461
Assessment Fund	38,480	37,932	37,377	37,561
Health Center Fund	69,224	68,768	67,522	67,371
School districts	2,597,225	2,570,572	2,522,591	2,507,927
Library district	56,777	56,194	55,281	55,840
Ambulance district	207,649	206,161	201,811	188,685
Watershed districts	5,692	6,049	5,696	5,862
Fire districts	18,755	19,258	18,494	19,808
Special road district	29,410	29,529	29,411	29,044
Levee and drainage districts	131,863	130,675	130,037	131,009
Surtax	75,971	75,841	78,321	73,694
Nursing Home	83,190	82,644	81,152	80,958
Cities	12,785	9,458	9,699	12,020
County Clerk	94	106	90	101
County Employees' Retirement Fund	24,686	27,719	23,414	22,612
Collector Tax Maintenance Fund	3,217	0	0	0
Commissions and Fees:				
County Collector	2,771	2,721	2,798	2,664
General Revenue Fund	64,204	64,278	62,931	63,055
Total	\$ 4,129,916	4,096,821	4,027,556	3,979,788

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),			
	2003	2002	2001	2000
Real estate	95.0	95.5	94.6	94.4 %
Personal property	90.9	90.8	90.7	91.8
Railroad and utilities	100.0	100.0	100.0	100.0

Clark County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ 0.0050	None	50 %
Road and Bridge Capital Improvements	0.0050	2005	None
Jail/Law Enforcement Center Building - General	0.0050	2006 *	None
Law enforcement expenses	0.0050	None	None

\* The sales tax was eliminated in April 2003 when the county repaid the bonds early.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2003	2002	2001	2000	1999
County-Paid Officials:					
Eddie Brewer, Presiding Commissioner	\$	14,598	14,598	14,173	13,742
Wayne Bourgeois, Associate Commissioner		12,524	12,524	11,021	10,700
C.W. Higbee, Associate Commissioner		12,524	12,524	11,021	10,700
Leih Ann Hayden, County Clerk		25,599	25,599	24,853	24,130
H. Scott Summers, Prosecuting Attorney		28,225	28,225	27,401	26,603
Doug Jones, Sheriff		23,972	25,355		
Bill Conger, Sheriff				21,527	20,900
Roberta McAfee, County Treasurer		16,823	16,823		
Julie Buschling, County Treasurer				15,352	14,905
Edwin Wilson, County Coroner		4,304	4,304	3,587	3,483
Debbie Bourgeois, Public Administrator (1)		15,450	15,450	4,120	4,000
Twila Harper, County Collector (2), year ended February 28 (29),	32,940	32,890	32,088	31,101	
Donna Oilar, County Assessor (3), year ended August 31,		27,592	27,592	26,815	6,515
Linda Harmon-Heinze, County Assessor (3), year ended August 31,					19,545

(1) The Public Administrator elected to a salary basis in 2001, as allowed by state law.

(2) Includes \$2,771, \$2,721, \$2,798, and \$2,664 respectively, of commissions earned for collecting city property taxes for years ended February 28 (29), 2003, 2002, 2001, and 2000.

(3) Includes \$900 annual compensation received from the state.

State-Paid Officials:

Mary Jones, Circuit Clerk and Ex Officio Recorder of Deeds	47,300	47,300	46,126	44,292
John Moon, Associate Circuit Judge	96,000	96,000	97,382	87,235

As of December 31, 2002, the General Revenue Fund and the Road and Bridge Fund had incurred liabilities for equipment lease-purchases of approximately \$75,000 and \$239,000, respectively.